

By: Geren

H.B. No. 2754

A BILL TO BE ENTITLED

AN ACT

relating to the primary source of supply for alcoholic beverages.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 37.10(a) and (b), Alcoholic Beverage Code are amended to read as follows:

Sec. 37.10 RESTRICTION AS TO SOURCE OF SUPPLY. (a) No holder of a nonresident seller's permit may solicit, accept or fill an order for distilled spirits, beer, ale, or wine from a holder of any type of wholesaler's or winery permit unless the nonresident seller is the primary American source of supply for the brand of distilled spirits, beer, ale, or wine that is ordered.

(b) In this section, "primary American source of supply" means the distiller, the producer, the owner of the commodity at the time it becomes a marketable product, the bottler, the brewer, the manufacturer, or the exclusive agent of any of those. To be the "primary American source of supply" the nonresident seller must be the first source, that is, the manufacturer or the source closest to the manufacturer, in the channel of commerce from whom the product can be secured by Texas wholesalers, distributors, and Texas wineries. Except as provided by Subsection (c), a product may have only one primary American source of supply to Texas.

SECTION 2. This Act takes effect September 1, 2017.